

NO: R038

COUNCIL DATE: February 26, 2024

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## REGULAR COUNCIL

TO: **Mayor & Council**

DATE: **February 21, 2024**

FROM: **General Manager, Community Services**

FILE: **4710-01**

SUBJECT: **Renewal of the Newton Business Improvement Area**

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## RECOMMENDATION

The Community Services Department recommends that Council:

1. Receive this report for information; and
2. Authorize the City Clerk to bring forward the *Newton Business Improvement Area Bylaw, 2024, No. 21043* (the “Bylaw”) for final adoption.

## INTENT

The purpose of this report is to provide Council with the results of the Council Initiative process related to the renewal of the Newton Business Improvement Area (“Newton BIA”) and to seek Council authorization to bring forward proposed amendments to the Bylaw for final adoption in order to renew the Newton BIA for a four-year term from April 1, 2024 to March 31, 2028.

## BACKGROUND

A Business Improvement Area (“BIA”) collects funds for specific purposes through a rate levied against benefitting properties in a specified area. The establishment of a BIA is an effective means for businesses in that locale to finance programs to help keep the catchment area healthy and prosperous. In most circumstances, such collaboration between businesses is not possible by other means. There are currently four BIAs in Surrey including the Cloverdale BIA, Downtown Surrey BIA, Fleetwood BIA, and Newton BIA.

The current term for the Newton BIA expires on March 31, 2024.

At the November 20, 2023 Council meeting, Council approved the recommendations in Corporate Report No. R201; 2023, attached to this report as Appendix “I”, which authorized staff to undertake the necessary actions to facilitate the renewal of the Newton BIA using the Council Initiative process. Subsequently, the Bylaw was introduced and received third reading on December 4, 2023.

Subsequent to a BIA bylaw being adopted by Council, BIA revenues are collected by the City through an annual tax levy on applicable Class 5 & 6 properties within the BIA area. Should Council approve the recommendations of this report, the Newton BIA has proposed a 5% increase in their levy each year of their term (2024-2028). The collected amount is transferred from the City to the BIA as outlined in the *Community Charter* and not exceeding the Council approved amounts.

## DISCUSSION

Council Initiative process is a means of consultation where if at least half of the property owners, representing at least 50% of the assessed value of land and improvements in the BIA area register their dissent within 30 days of notification, the process would not proceed.

Pursuant to the Council Initiatives process, notices were sent out to the owner(s) of Class 5 and 6 properties within the specified area delineated in Appendix "II". These notifications included the estimated tax levy amount and provided the petition form. The purpose of this notification was to inform the impacted property owners of the City's intention to renew the Newton BIA for a four-year term, concluding on March 31, 2028. Recipients were advised of the 30-day period during which they could petition against the proposed renewal of the Newton BIA.

In addition to the notices, public notification was provided in the Surrey Now Leader on Thursday, December 14 and Thursday, December 21, 2023.

The deadline for receiving petitions opposing the renewal of the Newton BIA elapsed at 4:30 p.m. on January 22, 2024.

According to the *Community Charter, S.B.C. 2003, c. 26*, to prevent the renewal of a BIA, petitions opposing the renewal of the BIA must meet certain criteria:

1. Represent at least 50% of the landowners; and
2. These landowners must represent at least 50% of the total assessed value of the properties liable to be charged under the proposed BIA.

There are approximately 146 property owners subject to the Newton BIA tax levy within the Newton BIA boundary, with a collective estimated total assessed value of \$1,047,784,700. By the deadline of January 22, 2024, a total of 31 petitions opposing the Newton BIA renewal were received, constituting 21.2% of property owners and representing 19.6% of the total assessed value. The Certificate of Sufficiency is attached as Appendix "III".

Therefore, due to the inadequate number of petitions received opposing the proposed renewal to the Newton BIA, it is recommended that Council authorize the City Clerk to bring forward the proposed Bylaw for final approval.

Upon Council's adoption of the Bylaw, the Finance Department will include the Newton BIA levy into the property taxes for applicable Class 5 & 6 properties within the specified area to collect the Newton BIA revenues through an annual tax levy. The funds collected, not exceeding the Council approved annual amount, will then be transferred to the legally constituted Newton BIA subject to compliance with the requirements outlined in the *Community Charter*.

## **Legal Services Review**

Legal Services has reviewed this report.

## **CONCLUSION**

Based on the above discussion, it is recommended that Council authorize the City Clerk to bring forward the Bylaw for final adoption.

Terry Waterhouse  
General Manager, Community Services

Appendix "I": Corporate Report No. R201; 2023  
Appendix "II": Newton Business Improvement Area Specified Area  
Appendix "III": Certificate of Sufficiency

[https://surreybc.sharepoint.com/sites/community.services.hub/gm admin1/corporate reports/2024/final/04-march 26/newton business improvement area.docx](https://surreybc.sharepoint.com/sites/community.services.hub/gm%20admin1/corporate%20reports/2024/final/04-march%2026/newton%20business%20improvement%20area.docx)



## CORPORATE REPORT

NO: R201

COUNCIL DATE: November 20, 2023

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### REGULAR COUNCIL

TO: Mayor & Council DATE: November 15, 2023  
FROM: Manager, Economic Development FILE: 0250-20  
SUBJECT: Renewal of the Newton Business Improvement Area with a Four-Year  
Renewal Term

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### RECOMMENDATION

The Manager, Economic Development recommends that Council:

1. Approve the use of the Council Initiative process as the means by which to measure property owner support for a four-year renewal term of the Newton Business Improvement Area ("NBIA") from April 1, 2024 to March 31, 2028;
2. Authorize the City Clerk to bring forward the *Newton Business Improvement Area Bylaw, 2024, No. 21043* (the "Bylaw") for the required readings and authorize staff to undertake all the necessary related actions; and
3. Request that staff proceed with the formal property owner notification process related to the renewal of the NBIA and submit a further report on the matter complete with recommendations for Council's consideration after the expiry of the Council Initiative notice period.

### INTENT

The purpose of this report is to obtain Council approval for the renewal of the NBIA for a four-year term from April 1, 2024 to March 31, 2028 by means of the Council Initiative process, and to instruct staff to take all necessary measures to bring forward Bylaw No. 21043.

### BACKGROUND

A Business Improvement Area ("BIA") is similar to a Local Service Area where funds are collected for specific purposes through a rate levied against benefitting properties in a specified area. The establishment of a BIA is an effective means for businesses in that locale to finance programs to help keep the catchment area healthy and prosperous. In most circumstances, such collaboration between businesses is not possible by other means. There are currently four BIAs in Surrey including the Cloverdale BIA, Downtown Surrey BIA, Fleetwood BIA, and Newton BIA.

In 2013, Council approved the initial *Newton Business Improvement Area Bylaw, 2013, No. 18105* which subsequently created what is known today as the Newton Business Improvement

Association (the “Association”). The current NBIA Bylaw expires on March 31, 2024 and the Association has proposed a renewal term of four years from April 1, 2024 to March 31, 2028 to align all Surrey BIA renewal terms to begin in 2028. The area covered by the NBIA is illustrated in Appendix “I” attached to this report. The Association is not seeking to expand their boundaries during this renewal term.

## DISCUSSION

Under the *Community Charter*, the level of support for the establishment or renewal of a BIA may be determined using either a Council Initiative or Petition Process approach (see Appendix “II”). The Association is requesting the City use the Council Initiative approach to formally assess the level of support for the renewal of the NBIA (see Appendix “III”).

A draft of the proposed Bylaw including Schedule “A” and Schedule “B” is attached as Appendix “IV” to this report.

### Four-Year Renewal Term and Alignment

In December 2022, Council endorsed a plan to align all BIA renewal terms beginning in 2028. By consolidating the renewals to once every five years, a savings of approximately 300 staff hours across four departments can be realized in 2029 to 2031, and efficiencies and cost-savings realized in the long-term. Grouping of BIA terms is already practiced in the City of Vancouver. To achieve renewal alignment of a standard five-year renewal term starting in 2028, all four Surrey BIAs will have varying renewal terms in the interim (see Appendix “V”). As such, the NBIA is requesting a four-year renewal term to achieve this alignment.

### Levy Schedule

Subsequent to a BIA Bylaw being adopted by Council, BIA revenues are collected by the City through an annual tax levy on each property within the BIA area and are transferred to the Association subject to meeting the requirements outlined in the *Community Charter*. Based on the 2023 Extraordinary General Meeting (“EGM”) held by the Association on September 21, 2023, the 2024 levy for the Association would be \$591,000 (an increase of approximately 5% at renewal over the 2023 levy). A schedule of the levy structure for the duration of their term is provided in the table below.

Year	Levy	Percent Increase, Year Over Year
2023	\$562,754.00	
2024	\$591,000.00	5%
2025	\$620,550.00	5%
2026	\$651,578.00	5%
2027	\$684,157.00	5%
2023-2027 (4 years)	\$121,403.00 Increase	21.6% Increase*

Table 1: NBIA Levy Schedule 2023-2027

\*Represents the relative % increase between 2023 and 2027, and not the % increase year over year.

The proposed NBIA levy structure would have an annual increase of 5% from 2024 to 2027, with an overall levy increase of 21.6% over the period of 2023 to 2027. This is in line with other recent



BIA renewals (see Appendix “VI”). These increases are typically initiated by the BIAs to offset inflationary costs as well as to develop new programs and activities to promote businesses in their area. The budget for the 2024 fiscal year outlines the proposed spending levels (see Appendix “VII”). The City has no concerns with the proposed budget increases.

### **Outreach**

The Association conducted outreach to 477 property owners and members between May to September 2023 by using various methods to gauge support for the renewal (see Appendix “VIII”) and to determine priority areas for the four-year term as reflected in their strategic plan (see Appendix “IX”). As a result of this outreach, the Association received 131 completed surveys with 100% of respondents supporting the renewal term.

### **Finance Department**

Finance Department has reviewed this report.

### **Legal Services**

Legal Services has reviewed this report.

### **CONCLUSION**

The current NBIA Bylaw expires on March 31, 2024. The Manager, Economic Development recommends that the recommendations contained in this report be approved including the use of the Council Initiative process as the means by which to measure property owner support for a four-year renewal term of the NBIA.



Stephen Wu  
Manager, Economic Development

#### **Appendices available upon request**

Appendix “I”: Boundaries of the Newton Business Improvement Area

Appendix “II”: Petition Procedure for the Establishment or Renewal of a Business Improvement Association

Appendix “III”: Newton BIA Bylaw Renewal Process Cover Letter

Appendix “IV”: Draft *Newton Business Improvement Area Bylaw, 2024, No. 21043*

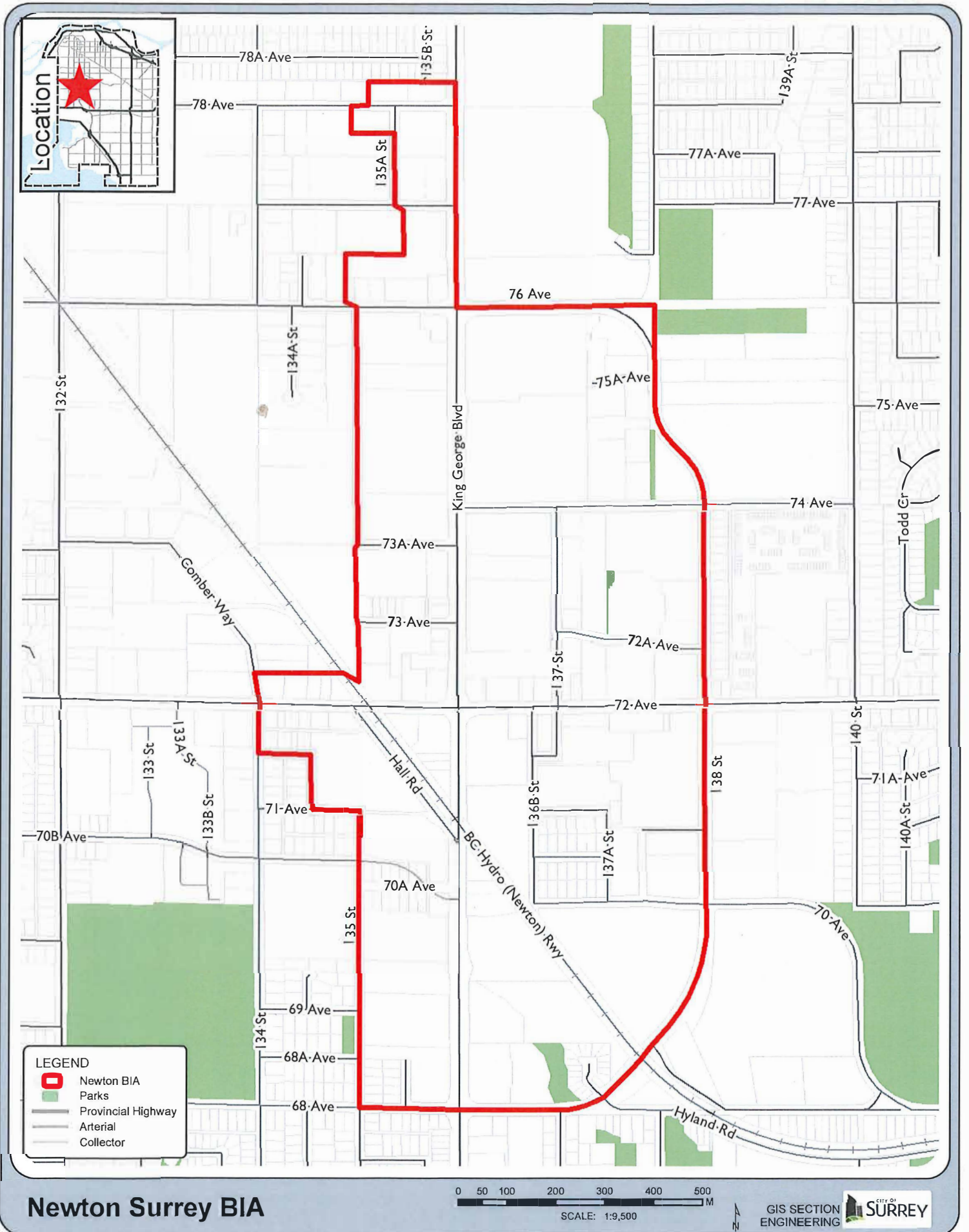
Appendix “V”: Surrey Business Improvement Associations 5-year Term Alignment Table

Appendix “VI”: Current Levy Structure Breakdown of Surrey’s BIAs

Appendix “VII”: Newton Business Improvement Association Budget Overview 2024

Appendix “VIII”: Newton BIA Renewal Survey and Membership Outreach Results

Appendix “IX”: Newton Business Improvement Association Renewal Strategic Plan 2024-2028



**Newton Surrey BIA**

0 50 100 200 300 400 500  
SCALE: 1:9,500

GIS SECTION  
ENGINEERING  
CITY OF SURREY

The data provided is compiled from various sources and IS NOT warranted as to its accuracy or sufficiency by the City of Surrey. This information is provided for information and convenience purposes only. Lot sizes, legal descriptions and encumbrances must be confirmed at the Land Title Office.

Source: G:\MAPPING\GIS\Maps\Recurring\BIA\Newton\_BIA\X\_Newton\_BIA\_Colour\_2023.mxd  
Cartographer: P205803 Date: 30-Aug-2023 © City of Surrey



**Certificate of Sufficiency**  
Formal Petition for Local Area Service

I, Jennifer Ficocelli, City Clerk for the City of Surrey, British Columbia, certify that I have given notice of Council's intention to undertake the following work as a Local Area Service as required by Section 213 of the *Community Charter* and that sufficient petition of the Local Area Service has been received.

General Description: **Renewal of Newton Business Improvement Area – Local Area Service**

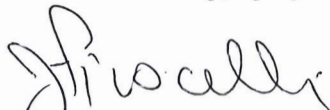
A list of the affected properties, property owners and assessed values were provided by the Finance Division. Letters and petitions were mailed on December 8, 2023, and notice was posted in the Surrey NOW-Leader newspaper on December 14, 2023 and December 21, 2023. A total of 31 petitions were returned for the Local Area Service, of which were deemed to be valid.

The following table contains the details regarding this Petition:

Number of Properties within Petition Area	146	100%
Petitions Received stating "No"	31	21.2%
Total Assessed (2023) Value of benefitting Properties	\$1,047,784,700	100%
Total Assessed (2023) value of petitions against	\$205,838,300	19.6%

The total number of respondents in agreement of the Local Service Area, and their cumulative assessed property values of those respondents do not meet the requirement that the Petitions signed must represent at least 50% of both the number of respondents and of the assessed value of the defined boundary.

The Council may, by bylaw, renew the Local Service Area (Newton Business Improvement Area).

  
Jennifer Ficocelli  
City Clerk

Date: January 23, 2024